

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

July 8, 2003

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**FROM:** EMIL A. MARZULLO, Director  
Special Districts Department

**SUBJECT:** RESOLUTION OF FINDINGS FOR INFRASTRUCTURE LOAN FROM THE CALIFORNIA  
INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (CIEDB), COUNTY  
SERVICE AREA 70, IMPROVEMENT ZONE J (OAK HILLS)

**RECOMMENDATION:** Acting as the governing body of County Service Area, Improvement Zone J, Oak Hills (CSA 70, J), adopt Resolution No. 03-\_\_\_\_ which makes certain findings prior to the project being considered for financing by the California Infrastructure and Economic Development Bank (CIEDB).

**BACKGROUND INFORMATION:** On December 17, 2002, the Board adopted Resolution No. 2002-348 which authorized the Special Districts Department to submit a preliminary application to the CIEDB in an amount not to exceed \$4,000,000 to fund improvements to the CSA 70 J, water system, bringing it up to a condition that can meet maximum day demand for the residents of the District.

The scope of the original project included three major items: 1) drill and equip an estimated 1,000-foot-deep water production well; 2) install one 2-million gallon and one 0.25 million gallon storage tank; and 3) install approximately 4.3 miles of transmission/distribution pipelines to increase the flow capacity from the existing well fields and eliminate other system deficiencies, including insufficient fire flow. After the application was sent to CIEDB, it was discovered that an appropriate site for the 250,000 gallon storage tank was not available and an alternative to the tank to address pressure and fire flow in the area was needed. To address flow capacity and insufficient fire flow in the area where the storage tank was to be located, additional distribution pipelines were substituted.

The original loan authorization was approved in December and was in an amount not to exceed \$4,000,000. Construction costs are now finalized and the loan amount requested in the final application to the CIEDB is \$2,400,000. The total project costs are \$3,732,000 with the District contribution from local funds at \$1,332,000. The Zone J Advisory Commission supports these project changes and the use of local funds for the project.

On June 16, 2003, CIEDB staff provided notification that the five required findings were not included in the December 17<sup>th</sup> resolution, and would have to be submitted before the loan can be presented to the CIEDB Board for final approval and funding. The resolution in this action certifies these required findings so that the requested loan for \$2,400,000 can be approved for funding by the CIEDB.

**REVIEW BY OTHERS:** This action has been reviewed by County Counsel (L. Thomas Krahelski) on June 27, 2003, 2003, this item has also been reviewed by the County Administrative Office (Wayne Thies, Administrative Analyst) on June 30, 2003.

**FINANCIAL IMPACT:** There are no financial impacts resulting from this action. The resolution complies with CIEDB required findings. The CIEDB anticipates approval of the loan at their July 2003 meeting. Subsequent to approval by CIEDB, the final loan documents will be brought to the Board for approval.

**SUPERVISORIAL DISTRICT(S):** First

**PRESENTER:** Emil A. Marzullo 387-5950

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